



ASSOCIATION FOR LOCAL TELECOMMUNICATIONS SERVICES

ORIGINAL

Jonathan Askin
General Counsel

February 22, 2000

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Magalie Roman Salas
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

EX PARTE OR LATE FILED

Re: **Notice of Ex Parte Presentation** in CC
Docket No. 00-4, *Application of SBC*
Communications Inc. Pursuant to Section 271 of the
Telecommunications Act of 1996 to Provide In-
Region, InterLATA Services in Texas

Dear Secretary Salas,

Pursuant to Section 1.1206(a) of the Commission's Rules, 47 C.F.R. 1.1206(a), this letter is to provide notice of an *ex parte* meeting by Jonathan Askin of the Association for Local Telecommunications Services, Rina Hartline of Birch Telecom, Dan Gonzalez of NEXTLINK, Tom Koutsky, Chris Goodpastor and Jonathan Daniels of Covad Communications, and Robin Casey and Eric Drummond of Casey, Gentz & Sifuentes in the above-referenced proceeding on Thursday, February 17, 2000. The parties met with Sarah Whitesell, Legal Advisor to Commissioner Tristani. During the meeting, the parties discussed a variety of issues related to SBC's application to provide interLATA services in Texas. The substance of the discussion is set forth in the attached document.

Should you have any questions about this matter, please call me at 969-2597. An original and one copy of this letter is being submitted to you for inclusion in the public record.

Sincerely,


Jonathan Askin

cc: Sarah Whitesell

No. of Copies rec'd 645
List A B C D E

ALTS
SWBT 271 Application
CC Docket No. 00-4
February 18, 2000

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OVERVIEW

- SWBT fails to provide nondiscriminatory interconnection and access to:
 - OSS
 - Collocation
 - Interconnection trunks
 - Unbundled loops
- Need for Antibacksliding and Fresh Look

OSS

- Continued reliance on manual processes harms CLECs and end-users
 - Routinely misses FOC dates
 - Orders fall out for manual handling
 - Unable to coordinate related orders
 - Manual Process Skews time stamps and affects performance measurements
 - CLECs often receive multiple FOCs, creating
 - uncertainty in provisioning interval
 - skewing performance measures.
 - Problems occur even after service provisioned
 - *e.g.*, double billing of end-user

OSS (cont'd)

- SWBT does not adequately communicate *ad hoc* changes in policies resulting in confusion in OSS processes
- Telcordia Report is inadequate
 - Telcordia closed issues without being able to confirm whether issue could recur
 - Telcordia analysis ended when part of OSS process resulted in manual intervention
 - No evidence that SWBT can accommodate commercial volumes
 - No test of LEX (CLECs' electronic interface)
 - No test of back office systems

OSS (cont'd)

- Problems processing supplemental orders
- Lack of user identification codes
- Under staffing LSC and Account Teams

COLLOCATION

- Unreasonable restrictions on access to, and use of, collocation space, *e.g.*, SWBT's "wall around its equipment" for cageless collocation arrangements
 - CLECs required to pay for lesser cost of the wall or a security camera, which will cause CLECs to have to argue about cost on a CO by CO basis
 - CLEC access to SWBT's equipment will inevitably be hampered by such a partition

Interconnection Trunks

- SWBT repeatedly limits CLEC ability to order sufficient numbers of trunks -- SWBT does not accept CLEC trunking forecasts -- CLECs forced to turn away customers
- SWBT does not provision interconnection trunks on a timely basis
- SWBT cannot provision trunks in sufficient numbers

UNBUNDLED LOOPS

- Hot cut performance is deficient because SWBT fails to follow proper loop provisioning procedures
- Regularly fails to meet FOC dates
- Unable to provide fully functional, automated OSS to CLECs at parity with functionality SWBT provides to its own retail customers
 - Critical preordering, ordering, and provisioning systems rely on manual processing

DSL LOOPS

- SWBT's data is facially inadequate to support its claim that SWBT is performing adequately on advanced services
 - Performance measures for DSL loops were adopted in Dec. 1999, but no data yet and cannot know if performance measures adequate without data
- CLEC data indicates that SWBT routinely misses FOCs and loop installation dates
 - Loops not installed on time can take more than an additional month due to manual process that fails to queue these loops for installation

DSL LOOPS (cont'd)

- Only interim arrangements exist for provisioning DSL-capable loops
- SWBT delayed CLEC implementation
- Uncertainty surrounding discriminatory effects of “Project Pronto” (SWBT’s aDSL rollout)
- Discriminatory treatment of CLECs *vis-à-vis* SWBT’s Advanced Services Affiliate

Unavailability of Raw Data to Validate SWBT Performance

- CLECs do not have reasonable access to raw data making it difficult to determine accuracy of SWBT performance measurements

ANTIBACKSLIDING

- FCC must vigilantly guard against post-entry backsliding
- Many issues still not resolved in Texas, *e.g.*, DSL loop provisioning, new UNE provisioning
- Uncertain Effects of “Project Pronto”

ANTIBACKSLIDING (cont'd)

- If SWBT found to be at fault for outage, SWBT should be required to notify CLEC customer to alleviate damage to CLEC reputation
- Three-tiered penalty approach to curb anti-competitive behavior:
 - Mandated rate reductions
 - Suspension of 271 authority
 - Material fines

FRESH LOOK

- Fresh look opportunities must accompany any grant of authority
- Excessive termination penalties will stifle competition
- Changed circumstances clearly warrant fresh look

SWBT 271 Application for Texas

NEXTLINK Communications, Inc.

February 16, 2000

FCC Meeting

NEXTLINK in Texas

- Currently providing service in Texas to business customers over wireline and fixed wireless facilities
 - Began providing service in Dallas market in December, 1998
 - launched service in Houston in September, 1999
- Active CLEC Coalition participant in Texas PUC 271 collaborative process.

SWBT's 271 Application

- NEXTLINK is not interested in preventing SWBT from entering the long distance market.
 - To the contrary, NEXTLINK previously supported Bell Atlantic's application to enter the LD market in N.Y.
- SWBT's Texas application, however, is not comparable to the Bell Atlantic-NY application in several critical areas.
- SWBT's application must be denied because it does not meet the Sec. 271 checklist requirements.

Department of Justice Recommendation

- DOJ has recommended that the FCC reject SBC's 271 Application.
- DOJ found that:
 - SBC had not demonstrated that it is providing non-discriminatory access to its loops, to companies offering xDSL services and those offering traditional voice service;
 - SBC's performance in providing voice loops falls short of the level that the FCC described as "minimally acceptable" when it approved Bell Atlantic's N.Y. application; and
 - "Because of SBC's deficient performance, carriers seeking to use unbundled loops are constrained, and the market is not fully open to competition."

NEXTLINK's Texas Experience

- NEXTLINK's experience with SWBT in the Texas local telecom market confirms DOJ's findings.
 - SWBT's reliance on manual processes for OSS impedes local competition in Texas:
 - manual processing causes delays and service outages that are not transparent to NEXTLINK's end-user customers and NEXTLINK is held accountable in the marketplace for these deficiencies;
 - SWBT's own data admits that over 50% of UNE-loop orders fall out for manual processing;

SWBT Reliance on Manual Processes for OSS

- Examples of problems associated with SWBT's manual processes include:
 - inability to communicate directly with SWBT reps, upon rejection of an order, regarding that specific reject and any “work around” to resolve problem;
 - inability to coordinate related orders, or RPONs for CLECs, however, it retains the capability to relate such orders within its own internal systems;
 - inability to relate “C” and “D” orders for the same service, if the “D” order is worked prior to the “C” order, the result is that NEXTLINK customer loses service;

SWBT Reliance on Manual Processes for OSS

- inability to identify availability of underlying operational network facilities;
- manual processes for data collection skew time stamps on LSR receipt;
- fallout of orders at the end of the process has resulted in double billing of CLEC business customers and deletion of vital directory listing information;
 - Texas PUC addressed this problem and believed that SWBT's "Error Resolution Team" would resolve this problem. To date, however, this matter has yet to be resolved.

SWBT's Reliance on Manual Processes for OSS

- Problems created by SWBT's Manual processes require NEXTLINK to expend considerable resources to establish an administrative "safety net."
- Existing service problems call into question whether SWBT's OSS systems can handle commercial volumes that will increase as competition expands.

Hot Cut Provisioning

- As acknowledged by DOJ, SWBT's reported hot cut performance in Texas is inferior to Bell Atlantic's performance in N.Y.
- NEXTLINK's ability to successfully perform hot cuts is greatly impeded by SWBT's inability to provide operational facilities.
 - In a recent data sample taken during the last week of December 1999, over 30% of NEXTLINK's completed hot-cut orders were directly affected by non-operational SWT facilities.
 - As a result, NEXTLINK must add additional time to our end-user customer installation interval in order to provide uninterrupted quality service.

Reliance on SWBT Performance Measures

- 10/99: NEXTLINK creates internal performance tracking program. Data reveals:
 - SWBT's performance measurements fail to track all of NEXTLINK transactions (i.e., average delay days due to the lack of facilities - - order subject to this measurement)
 - NEXTLINK's data collection program raises questions regarding the accuracy of SWBT's reported results.
 - e.g., discrepancies regarding reported "percent firm order confirmations ("FOCs") received within "x" hours."
- Even if reported results are accurate, for certain measurements, SWBT's reported results demonstrate non-parity service.

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Reliance on SWBT's Performance Measures

- Discrepancies discovered in NEXTLINK's tracking program appears to call into question the accuracy of SWBT's reported performance.

Telcordia Report

- In N.Y., the 3rd party test that was part of the record in Bell Atlantic's N.Y. application was broad, independent and robust and played a central role in opening the NY market to competition.
 - In comparison, the Telcordia test was far less comprehensive, blind and independent.
- Unlike, the N.Y. KPMG test, the Telcordia test did not test the wholesale support processes for CLECs besides AT&T and MCI
- More importantly, Telcordia focused on SBC's computer systems and did not test SBC's wholesale support systems generally.